

## Pension Awareness Day 2021



The State Pension seems to be the logical place to start when it comes to Pension Awareness Day this year.

**The 'New' State pension** came into force for all individuals who retire on or after 6 April 2016. In order to benefit from the state pension, you must have at least 10 qualifying years of national insurance contributions (or credits). To get the full state pension, you will need 35 such qualifying years. The full state pension is presently £179.80 per week, for the 2021/2022 tax year. Anyone with 10 – 35 years will get a proportionate amount of pension.

The state pension age has been increasing steadily since age 65. At present the state pension age is 66 for men and women, with further increases planned to age 67 and 68.

Do you know when your state pension age is? Do you know if you have enough years of national insurance contributions recorded to get the full pension? If not, then you are able to check both of these points on the DWP website Check your State Pension forecast - [Check your State Pension forecast - GOV.UK \(www.gov.uk\)](https://www.gov.uk/check-state-pension-forecast)

Once you have established when your state pension will come into payment, you can use this as information to plan your retirement income.

Were you lucky enough to benefit from a defined benefit (sometimes known as final salary) with an employer? There are an estimated 5327 such DB schemes still in existence\*\*, with this number declining year on year due to mergers, wind ups and schemes moving into the pensions lifeboat (the PPF) as a result of employer insolvency. Is it possible that you have lost track of your old employer and may have benefits accrued in these defined benefit arrangements? If you have an old statement, it is well worth trying to get an up to date one to see what you are entitled to and when the pension will start. Remember, benefits in these schemes continue to increase, even though you are no longer employed there. This is due to built-in inflation proofing called revaluation.

If you are unable to find any such statement you may be able to trace your pension through the DWP's pension tracing service [Find pension contact details - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/find-pension-contact-details)

There is an estimated £19.4bn worth of missing or lost pension pots\* in the UK. Perhaps you have lost statements which may result in you having missed changes to your pension provider. It's worth checking back on your employment history and building up a picture of your overall pension position.

If you are presently contributing to a workplace pension scheme, perhaps you should be checking whether you are contributing enough towards your retirement. What is your pension worth and are you on track for your retirement goals. Most provider websites have calculators to show what your pension could be worth in the future. You should perhaps also consider where your pension is invested. Does it still fit your attitude to investment risk and does it cover your investment preferences, for example are you investing in areas that you would rather avoid?

If you have personal pensions, you should check to see whether these have any valuable guarantees, perhaps from the days where you could contract-out of the state pension. Again, it's worth checking to see where you are invested, along with the level of charges you are paying. Is it worth consolidating into your workplace pension to keep everything in one place? Perhaps Pensions Awareness Day will inspire you to tackle these head on and help you to create a vision of how your retirement will look.

#### Sources

\*Professional Adviser 09.09.2021

\*\* PPF Purple Book 2020

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